IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.9526 of 2021

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Vinod Kumar Singh Son of Baidyanath Singh Prop. M/s SINGH TRADERS, resident of Village Patehi, Madhaul, Dist.- Muzaffarpur.

... ... Petitioner/s

Versus

1. Goods and Service Tax Council established under Article 297 A of the Constitution of India, through Assistant Commissioner of State Tax, Muzaffarpur West, Tirhut, Bihar.
2. Union of India Through Commissioner of Central Tax, New Delhi.
3. Commissioner of Central Tax Union of India, New Delhi.
4. Joint Commissioner of State Tax West Circle, Muzaffarpur, Bihar.
5. Assistant Commissioner of State Tax Muzaffarpur west, Tirhut, Bihar.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr.Prabhat Ranjan Singh, Advocate Mr. Neeraj Kumar, Advocate
For the Respondent/s	:	Mr.Dr.K.N.Singh (ASG) Mr. Ajay Kumar Rastogi, A.A.G. 10

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CORAM: HONOURABLE THE CHIEF JUSTICE
and
HONOURABLE MR. JUSTICE S. KUMAR
ORAL JUDGMENT
(Per: HONOURABLE THE CHIEF JUSTICE)

(The proceedings of the Court are being conducted by Hon'ble the Chief Justice/Hon'ble Judges through Video Conferencing from their residential offices/residences. Also the Advocates and the Staffs joined the proceedings through Video Conferencing from their residences/offices.)

Date : 07-07-2021

Petitioner has prayed for the following relief(s):

"I. That, the impugned order of demand dt.2.3.2020 unilaterally passed against the petitioner U/S 73 of the GST Act by respondent No.5 be quashed and set aside as it has been passed without providing an opportunity of show cause and also without providing an opportunity of hearing to the petitioner, being an authority of law Respondents cannot pass order in such manner.

II. That, petitioner further prays for quashing and setting aside the consequential order of freezing bank accounts of petitioner's firm SINGH TRADERS vide Current A/C No.1637002100001816, running in KAMALPURA Branch of PUNJAB NATIONAL BANK, Muzaffarpur, and one Recurring account in the same bank Vide A/C No.xxxxxxxxxxx84312, Current balance of 1 account is Rs.2177869/- and 2nd is Rs.2056519/-

III. That, for any other relief (s) for which petitioner is found entitled on the facts of this case and also in the eye of law. "

It is brought to our notice that the impugned order dated 2nd of March, 2020 has been passed by the Respondent No. 5 namely the Assistant Commissioner of State Tax, Muzaffarpur West, Tirhut, Bihar in GSTIN/ID 10BDVPS4441J2Z7, under Section 73 of GST Act, 2017; under Reference No. ZA1003200004091, for the tax period April 2018-March, 2019 in Form GST DRC-07, without providing an opportunity to the petitioner to show cause and without providing an opportunity of hearing to the petitioner in consequence whereof the bank accounts of the petitioner detailed in the petition have been frozen.

In our considered view, the delay stands sufficiently explained on account of COVID restrictions.

Learned counsel for the Revenue, states that he has no objection if the matter is remanded to the Assessing Authority for deciding the case afresh. Also, the case shall be decided on merits. Also, during pendency of the case, no coercive steps shall be taken against the petitioner.

Statement accepted and taken on record.

However, having heard learned counsel for the parties as also perused the record made available, we are of the considered view that this Court, notwithstanding the statutory remedy, is not precluded from interfering where, *ex facie*, we form an opinion that the order is bad in law. This we say so, for two reasons- (a) violation of principles of natural justice, i.e. Fair opportunity of hearing. No sufficient time was afforded to the petitioner to represent his case; (b) order passed *ex parte* in nature, does not assign any sufficient reasons even decipherable from the record, as to how the officer could determine the amount due and payable by the assessee. The order, *ex parte* in nature, passed in violation of the principles of natural justice, entails civil consequences. As such, on this short ground alone, we dispose of the present writ petition in the following mutually agreeable terms:

(a) We quash and set aside the impugned order dated 2nd of March, 2020 passed by the Respondent No. 5, namely the Assistant Commissioner of State Tax, Muzaffarpur West, Tirhut, Bihar in GSTIN/ID 10BDVPS4441J2Z7, under Section 73 of GST Act, 2017; under Reference No. ZA1003200004091, for the tax period April 2018-March, 2019 in Form GST DRC-07;

(b) We accept the statement of the petitioner that ten per cent of the total amount, being condition prerequisite for hearing of the appeal, already stands deposited. If that were so, well and good. However, if the amount is not deposited for whatever reason(s), same shall be done before the next date;

(c) Further the petitioner undertakes to additionally deposit ten per cent of the amount of the demand raised before the Assessing Officer. This shall be done within four weeks.

(d) This deposit shall be without prejudice to the respective rights and contention of the parties and subject to the order passed by the Assessing Officer. However, if it is ultimately found that the petitioner's deposit is in excess, the same shall be refunded within two months from the date of passing of the order;

(e) We also direct for de-freezing/de-attaching of the bank account(s) of the writ-petitioner, if attached in reference to the proceedings, subject matter of present petition. This shall be done immediately.

(f) Petitioner undertakes to appear before the Assessing Authority on 9th of August, 2021 at 10:30 A.M., if possible through digital mode;

(g) The Assessing Authority shall decide the case on merits after complying with the principles of natural justice;

(h) Opportunity of hearing shall be afforded to the parties to place on record all essential documents and materials, if so required and desired;

(i) During pendency of the case, no coercive steps shall be taken against the petitioner.

(j) The Assessing Authority shall pass a fresh order only after affording adequate opportunity to all concerned, including the writ petitioner;

(k) Petitioner through learned counsel undertakes to fully cooperate in such proceedings and not take unnecessary adjournment;

(l) The Assessing Authority shall decide the case on merits expeditiously, preferably within a period of two months from the date of appearance of the petitioner;

(m) The Assessing Authority shall pass a speaking order, assigning reasons, copy whereof shall be supplied to the parties;

(n) Liberty reserved to the petitioner to challenge the order, if required and desired;

(o) Equally, liberty reserved to the parties to take recourse to such other remedies as are otherwise available in accordance with law;

(p) We are hopeful that as and when petitioner takes recourse to such remedies, before the appropriate forum, the same shall be dealt with, in accordance with law, with a reasonable dispatch;

(q) We have not expressed any opinion on merits and all issues are left open;

(r) If possible, proceedings during the time of current Pandemic [Covid-19] be conducted through digital mode;

The instant petition sands disposed of in the aforesaid terms.

Interlocutory Application(s), if any, also stands disposed of.

Learned counsel for the respondents undertakes to communicate the order to the appropriate authority through electronic mode.

(Sanjay Karol, CJ)

(S. Kumar, J)

P.K.P./-

AFR/NAFR	
CAV DATE	
Uploading Date	16.07.2021
Transmission Date	